

**ASSEMBLY BILL**

**No. 678**

**Introduced by Assembly Member Firebaugh**

February 19, 2003

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An act to add Part 33 (commencing with Section 66000) to Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 678, as introduced, Firebaugh. Corporation taxes and fees.

Existing laws impose various taxes and fees with respect to corporations.

This bill would prohibit the imposition of those taxes and fees until the corporation has been in existence for 3 years or grosses \$500,000, whichever occurs first.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Part 33 (commencing with Section 66000) is  
2 added to Division 2 of the Revenue and Taxation Code, to read:

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4 PART 33. NEW CORPORATIONS: TAXES AND FEES

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6 66000. (a) Notwithstanding any other law to the contrary, no  
7 state tax or fee may be imposed by the state upon, or required by  
8 the state to be paid by, any corporation until the first of the  
9 following occurs:

10 (1) The corporation has been in existence for three years.

- 1     (2) The corporation grosses, cumulatively, five hundred
- 2     thousand dollars (\$500,000) in revenues.
- 3     (b) For purposes of this section, “fee” means any charge, other
- 4     than a tax, levied by the state upon a corporation that would not be
- 5     imposed but for that corporate status.

